

# **EXHIBIT 88**

## **CONFIDENTIAL**

In accordance with a protective order, the enclosure(s) shall be treated as confidential and shall not be shown to any person other than those persons designated in paragraph 8.2 of the paragraph order.

**Meadors Court Reporting**

**C O N F I D E N T I A L**

**IN THE UNITED STATES DISTRICT COURT**

**FOR THE DISTRICT OF WYOMING**

**No. 1:22-cv-00125-SW**

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**DEPOSITION OF CAITLIN LONG**

**November 29, 2023**

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**CUSTODIA BANK, INC.,**

**Plaintiff,**

**vs.**

**FEDERAL RESERVE BOARD OF GOVERNORS and FEDERAL  
RESERVE BANK OF KANSAS CITY,**

**Defendants.**

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**APPEARANCES:**

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**Appearing on behalf of Defendant.**

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1 (Deposition Exhibit No. 251 marked.)

2 BY MR. MICHAELSON:

3 Q Which is a document marked Custodia 1094.

4 A Okay.

5 Q It's a presentation dated May 2021.

6 A Okay.

7 Q Do you recall this document?

8 A Yes, I do recall looking at a couple of  
9 slides. This is probably the document that we  
10 prepared for our meeting with the board in May.

11 Q So May of 2021 in a meeting with the Board  
12 of Governors?

13 A Yes.

14 Q And this is after the principals had been  
15 released, and who at the Board of Governors did you  
16 meet with?

17 A It was organized by Mark Van Der Weide.  
18 There were a lot of board people on that meeting. I  
19 don't recall everyone who was on it. There were  
20 board legal people. There were board supervision and  
21 regulation people. There were board innovation  
22 policy people and board reserve bank operations  
23 people. Those were generally what I recall as who  
24 was on there. It was a lot.

25 Q Was it an in-person meeting?

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1 A No. It was by Zoom.

2 Q And how long did it last?

3 A An hour.

4 Q And who was the principal speaker on behalf  
5 of Custodia?

6 A I was.

7 Q Did anyone else speak on behalf of  
8 Custodia?

9 A Derek Bush, and I'm not sure who else, but  
10 the management team would have been on.

11 Q Who were the primary speakers on behalf of  
12 the board?

13 A Mark. It was Mark's meeting.

14 Q So Mark Van Der Weide was the primary  
15 speaker?

16 A Yes.

17 Q AND did you walk through this -- at that  
18 time, where did Custodia's application for membership  
19 stand?

20 A We had not applied yet.

21 Q Was that a subject of discussion at the  
22 meeting, membership?

23 A No. Actually, what happened is I made the  
24 comment that it was on our road map to apply for fed  
25 membership, but my understanding based on advice we'd

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1 received is that the fed does not want de novos to  
2 become member banks until the banks had been  
3 operating for a while and the kinks were worked out.

4 That prompted a call from Mark Van Der Weide  
5 to Derek Bush right after the meeting to correct what  
6 I had said, that the fed would welcome that, and  
7 Derek and Mark spoke, and Derek's interpretation was,  
8 "Mark is recommending that you apply for fed  
9 membership, so let's do it."

10 Q Do you recall whether the subject of  
11 membership came up in this meeting that you had, the  
12 Zoom meeting that you had with the board?

13 A It definitely did because Mark made the  
14 phone call on the basis of something I said, and I'm  
15 just looking here to see if it's mentioned in the  
16 slides or what the context was that would have  
17 prompted Mark to make that phone call to Derek right  
18 afterwards. Nothing's jumping out at me, but  
19 obviously, I did say something because he called to  
20 correct, and Derek's interpretation of that was Mark  
21 wants us to apply to become a member bank now instead  
22 of waiting, and we did.

23 Q Did you ask at that meeting -- did Custodia  
24 ask at that meeting whether a decision on Custodia's  
25 master account in the hands of the Board of

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1     Governors?

2             A     No.

3             Q     Did the Board of Governors -- anyone on the  
4     Board of Governors side represent the Board of  
5     Governors was controlling the outcome of Custodia's  
6     master account request?

7             A     No.

8             Q     Did anyone at the Board of Governors  
9     indicate that it was Kansas City's decision?

10            A     No. The Board of Governors said almost  
11    nothing in that meeting.

12            Q     They were in listening mode?

13            A     They were in listening mode.

14            Q     Do you recall walking through this  
15    presentation in that meeting?

16            A     I recall we spent almost the entire  
17    presentation on Slides 4 and 5.

18            Q     Slide 4 is what Avanti is and is not?

19            A     Yes.

20            Q     And Slide 5 is what Wyoming speedy bank  
21    charter is and is not?

22            A     Yes. Yeah, here actually. Avanti welcomes  
23    federal reserve oversight. It's on Page 4. Avanti  
24    offered from its inception to apply for membership,  
25    still intends to seek it, and is open to defacto

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1 Q And you replied it was Reserve Trust, and  
2 you asked Thompson to provide an update. Do you  
3 recall learning that Reserve Trust had BSA/AML  
4 issues?

5 A Yes.

6 Q Who did you learn that from?

7 A We were interviewing some of their former  
8 employees.

9 Q Did you ask -- did you discuss with those  
10 employees why Reserve Trust lost its master  
11 account?

12 A Chuck Thompson did when he was interviewing.  
13 I didn't interview any of the employees, but we  
14 interviewed a couple of their former employees who  
15 were looking for new jobs.

16 Q So Chuck Thompson interviewed Reserve Trust  
17 employees who were looking for new jobs?

18 A Yes.

19 Q And Chuck Thompson learned from them that  
20 Reserve Trust had BSA/AML issues?

21 A Yes.

22 Q And Chuck Thompson learned from them that  
23 those BSA/AML issues resulted in losing its master  
24 account?

25 A That's what they told us. I don't know if

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1 that's true, but that's what they told him. I also  
2 recall learning that they didn't have a chief  
3 compliance officer. That was also one of the pieces  
4 of feedback. It's not here in these meeting minutes,  
5 but I was really surprised that they didn't have a  
6 chief compliance officer.

7 Q In your view can a speedy that doesn't have  
8 a chief compliance officer obtain a master account?

9 MR. ORTIZ: Let me object; lacks foundation.  
10 Go ahead.

11 A That also calls for a legal conclusion.  
12 We're about to find out.

13 BY MR. MICHAELSON:

14 Q Refer to the next page, FRBKC 2882,  
15 "Chairman Long asked Thompson to give the board a  
16 BSA/AML policy update"; do you see that? It's the  
17 last paragraph.

18 A Yes.

19 Q And you provided a high-level overview?

20 A Um-hum.

21 Q You stated, "The policy is a living document  
22 that has changed"; do you see that?

23 A Yes. All policies are living documents that  
24 have been changed.

25 Q At this time, did you have -- as of May



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1 2022, did Custodia have BSA/AML policies and  
2 procedures that were complete and final and ready to  
3 go?

4 A Policies, yes; procedures, I don't know  
5 because we'd switched over to Foundry at this point,  
6 so anytime you switch a vendor, the procedures are  
7 going to change, but the policy had been in place and  
8 had been continually updated since 2020.

9 Q Do you recall where things stood with  
10 Foundry as of May 2022?

11 A Not specifically, no.

12 Q Was their work complete as of May 2022?

13 A I doubt it, but we were heavy in the new  
14 vendor onboarding and integration around that time  
15 because we'd replaced them earlier in the year.

16 Q And the minutes reflect that "The policy  
17 will continue to change as a result of engaging Crowe  
18 to help advise regarding best practices"?

19 A Yes.

20 Q So does that refresh your memory as to  
21 whether Crowe had not yet completed its work as of  
22 May 2022?

23 A I don't know. Again, Crowe was actually --  
24 there was ongoing work. We're still working with  
25 Crowe, so there was the initial assessment, and then